

SALT LAKE CITY
TRANSPORTATION ADVISORY BOARD

Minutes of the May 4, 2009 Meeting

Present from the Transportation Advisory Board were Joel Ban, Milton Braselton, Brian Doughty, Jim Jenkin, Tim Harpst, Keith Jensen, Jonathan Springmeyer, Steve Sturzenegger, Alama Ule'ave, and Xuesong Zhou.

Also present were Kevin Young, Russell Weeks, Brent Kovac, John Holt, and James Curtis.

The meeting was called to order at 4:08 p.m. by Chairman Keith Jensen. Keith asked for approval of the minutes of the April 6, 2009 meeting.

Motion: Jim Jenkin moved to approve the minutes of the April 6, 2009 meeting. Jonathan Springmeyer seconded the motion. The motion passed unanimously.

Keith Jensen started the discussion about the location of the proposed FrontRunner sight in Draper. Keith asked if this was an issue the board would like to address. The Board decided that even though this issue is related to transportation, since it is outside of the city boundaries and outside the jurisdiction and intent of the Board, they would not formally address this issue.

Keith Jensen recapped last month's meeting topic regarding the taxi cab regulation changes issue. Russell Weeks of the City Council office addressed the Board regarding the city's perspective on the proposed taxi cab regulation changes. This issue has been before the City Council since 2005 and has been the subject of numerous meetings, public hearings, and actions by the City Council. In December 2005 the City adopted ordinance #87 and resolution #66. Ordinance #87 gives a time table to end the city's practice of issuing certificates for public convenience and necessity. Resolution #66 explains why the city adopted ordinance #87 and makes clear that the City owns the certificates and in issuing the certificates does not grant a permanent franchise or irrevocable permit. Ordinance #87 gave a certificate expiration date of January 31, 2006, although the city has the option to renew certificates with existing cab companies if that deadline wasn't met. The City Council found the current method of regulation contentious, archaic and difficult to enforce. They felt that changing the way taxi cab services were regulated would promote quality of service and a fair environment to both traditional taxi cab providers as well as potential new entrants, while strengthening their economic vitality. Taxi cab companies that currently hold certificates do not operate in the same manner that their original companies operated and the market in which they compete has changed as well. The City Council is looking at three options. They can adopt the ordinance, stay with the status quo while repealing portions of ordinance #87, or deregulate taxi cab operations and let the market establish the outcome. At a

meeting before the City Council the owners of City Cab told the council that under the current system there have been no new taxi cab expansions in 47 years while other ground transportation businesses have taken away from their business. Nothing in the current ordinance prohibits the three existing companies from expanding their fleets. Any one of these companies can petition the city at any time to do that. While none have sought to expand their fleet, all have collectively appeared at different hearings to speak in opposition to someone who has applied to start a new taxi company. James Curtis sent e-mail observations contending that to achieve substantially greater efficiency in taxi usage would require that taxi drivers become employees instead of maintaining the independent contractor status that they now enjoy. Taxi drivers have not always been independent contractors. In 1982 the US Dept. of Labor handed down a ruling that cab drivers were not employees for the purposes of the companies complying with the fair labor standards act. The Utah Industrial Commission handed down a ruling in 1989 that cab drivers were not employees and therefore not eligible for unemployment benefits if laid off and in 1997 that cab drivers were not employees and therefore had to obtain their own workers compensation coverage. Some issues for the city are how are the cab drivers being served by the companies they lease their authorization from, are they making enough money to want to be effective, and how can they make a decent living while helping to meet public goals. Taxi cab companies have changed internally as well as the market changing externally. Since the Legislature deregulated most commercial motor carriers such as limo services and shuttle companies they are now operating parallel to taxi services. Light rail to the airport will have a profound impact on ground transportation as well as the possibility of an on-demand shared airport shuttle service. The City would like to look at what companies might have to offer to improve services and present opportunities for companies to enter or expand in a market that has been closed for some time. The City expects taxi cab companies to submit proposals if an ordinance change is adopted. There has been discussion about cutting the number of operating taxi cabs from 268 to 210 in an attempt to make taxi cab operation more viable for drivers who want to continue operating them. Companies would be allowed to increase their fleet based on a six month review of how many passengers they have served.

John Holt addressed the Board on behalf of the Taxi Cab Industry. John pointed out that the original purpose of this project was to provide residents with reliable, affordable, and consumer friendly ground transportation service as well as a more enforceable ground transportation ordinance while providing ground transportation workers the opportunity to make money. He said Mr. Weeks has now stated different goals and this project has been turned into a project that singles out the taxi cab industry and ignores all other segments. He feels the entire ground transportation system including limousine services, hotel courtesy vans, airport shuttles, and illegal taxi cab operators needs to be studied and evaluated before any decisions are made. Based on records he could obtain, there are 268 licensed taxi cabs and almost 467 types of ground transportation vehicles other than taxi cabs that have not been studied along with the taxi cabs. He feels that even if Salt Lake City wants to focus on taxi cabs they should make an informed decision and understand the system in its entirety. He says the city has not studied reducing other types of ground transportation vehicles, has no proposal

to better deal with illegal cabs, and has declined to study the whole system as they originally said they would do. Ray Mundy, PhD, the consultant hired by the city has declared the taxi cab industry in shambles and says that adopting the RFP system is the right thing to do; however he has not explained how the RFP system will work better than the current system. John does not believe the RFP system is done in any other area of the country and would be experimental in Salt Lake City. Mundy indicated in his study that Salt Lake City's system is as good as other systems and they scored as good or better than other cities. Mundy feels the poor taxi cab quality in Salt Lake City is significantly overstated and should not be subject to a radical, unprecedented, and experimental RFP system. The RFP system regulates the companies instead of the drivers and makes the companies more responsible for the cab drivers behaviors, even though there have been no major problems. It also ignores the current ordinance which places ultimate responsibility on the cab companies any way. Salt Lake City taxi cab drivers oppose this system and feel that the problems stated to adopt this system have not been proven. The current system is what most people already have throughout the country and it works. The current system could be amended or modified but does not need an entire overhaul because you don't need an RFP system to make changes.

The Board discussed this issue and Russell Weeks, Brent Kovac, and John Holt all answered clarifying questions regarding this issue. Keith Jensen recapped the discussion and said the City Council is looking for a recommendation from the Board. Tim Harpst said the City Council would not take action on this issue until a recommendation is provided by the Board and that the Board should let the City Council know what issues they believe should be addressed. The Board decided to move the regular June TAB meeting to June 8 and to hold a working session to discuss the taxi cab issue on June 1. The June 1 meeting will be held at 5:00 p.m. in the Transportation Division conference room. The regular TAB meeting will again be held at the City & County Building in the Committee of the Whole room at 4:00 p.m.

Motion: Jim Jenkin moved that the Board continue this item at the June meeting. Joel Ban seconded the motion. The motion passed, with Keith Jensen and Milton Braselton in opposition.

Motion: Milton Braselton moved that a representative from the Airport be invited to the next meeting. Joel Ban seconded the motion. The motion passed, with Jim Jenkin in opposition.

Motion: Joel Ban moved to invite representatives from the hotel industry to the next meeting. Milton Braselton seconded the motion. With Milton Braselton, Joel Ban, and Alama Ulu'ave in favor and Keith Jensen, Brian Doughty, Steve Sturzenegger, and Jim Jenkin opposed, the motion did not pass.

Motion: Jim Jenkin moved to have those who presented at this meeting return for next regular TAB meeting. Steve Sturzenegger seconded the motion. The motion passed unanimously.

The next agenda item, which was originally presented by Joel at the May meeting, was the rail transport of chlorine and other hazardous materials. Joel suggested giving this issue more time at a future meeting, after the cab issue has been resolved. This item will be put on the general list of future agenda items.

Under general updates and other business, Tim Harpst let the board know that the Mayor would be presenting his recommended budget to the City Council the following day at the 7:00 p.m. City Council Meeting. The City Council will be reviewing the budget and should be adopting it sometime in early June.

The next regular TAB meeting was scheduled for Monday, June 8 at 4:00 pm. Tentative agenda topics include discussion and recommendations for the proposed taxi regulation changes and a brief presentation by the Planning Division regarding the Euclid Small Area Master Plan.

With no further business, the meeting was adjourned at 6:25 p.m.